Senate File 2142 - Introduced

SENATE FILE 2142
BY RAGAN, JOCHUM, MATHIS, and PETERSEN

A BILL FOR

- 1 An Act relating to reimbursement for dually eligible Medicare
- and Medicaid beneficiaries receiving the Medicare hospice
- 3 benefit in a nursing facility.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

S.F. 2142

1 Section 1. DUALLY ELIGIBLE MEDICARE AND MEDICAID 2 BENEFICIARIES RECEIVING HOSPICE BENEFIT IN A NURSING FACILITY 3 — OPTIONS FOR ELIMINATION OF PASS-THROUGH PAYMENT. 4 department of human services shall pursue options for the 5 payment of the nursing facility room and board expenses for 6 a dually eligible Medicare and Medicaid member receiving the 7 Medicare hospice benefit, to allow Medicaid managed care 8 organizations to reimburse the nursing facility directly 9 for the room and board expenses rather than indirectly as 10 a pass-through payment from the hospice services provider. 11 The department of human services shall report all options 12 identified to the chairpersons and ranking members of the joint 13 appropriations subcommittee on health and human services, the 14 legislative services agency, and the legislative caucus staffs 15 on or before October 1, 2018. 16 **EXPLANATION** 17 The inclusion of this explanation does not constitute agreement with 18 the explanation's substance by the members of the general assembly. This bill requires the department of human services (DHS) 19 20 to pursue options for the payment of the nursing facility room 21 and board expenses for a dually eligible Medicare and Medicaid 22 member receiving the Medicare hospice benefit, to allow 23 Medicaid managed care organizations to reimburse the nursing 24 facility directly for the room and board expenses rather 25 than indirectly as a pass-through payment from the hospice 26 services provider. DHS is required to report all options 27 identified to the chairpersons and ranking members of the joint 28 appropriations subcommittee on health and human services, the 29 legislative services agency, and the legislative caucus staffs 30 on or before October 1, 2018. 31 Currently, the Medicare hospice benefit covers the costs of 32 palliative care for an individual who is terminally ill in the 33 individual's home or in a nursing facility. Medicare does not 34 have a long-term custodial nursing facility benefit, so that if 35 an individual elects the Medicare hospice benefit in a nursing

S.F. 2142

1 facility, the individual's room and board are not covered by 2 Medicare and the individual or a third-party payor must pay for 3 the costs of the room and board. For those individuals dually 4 eligible for Medicare and Medicaid who elect the Medicare 5 hospice benefit, Medicare is financially responsible for the 6 hospice care and the Medicaid program is the third-party payor 7 responsible for the nursing facility room and board expense. 8 For the nursing facility room and board care, the Medicaid 9 program must provide for payment in an amount equal to at 10 least 95 percent of the Medicaid daily nursing facility rate 11 (the rate the state Medicaid program pays for nursing facility 12 services furnished to an individual who has not elected to 13 receive hospice care). Historically, the Medicaid program 14 has paid the hospice provider for the nursing facility room 15 and board expenses of dually eligible individuals who elect 16 the hospice benefit, and the hospice provider has then passed 17 through this payment to the nursing facility. The bill would 18 require DHS to pursue options to instead allow Medicaid managed 19 care organizations to pay the nursing facility directly for 20 the nursing facility room and board costs, and eliminate the 21 pass-through payment utilizing the hospice provider.